

UTAH Water Quality Project Assistance Program FY2006 INTENDED USE PLAN

I. INTRODUCTION

The State has agreed to prepare a plan, the Intended Use Plan (IUP), identifying the intended uses of the funds in the SRF during FY2006 and how those uses support the goals of the SRF as required under Section 606(c) of the Clean Water Act. The primary purpose of the IUP is to identify proposed annual intended use of the amount available to the SRF. However, the IUP has been expanded to also include the Utah Wastewater Loan Program.

The secondary purpose of the IUP, established by Section 601(b) of the Act, is to facilitate the negotiation process for the capitalization grant agreement and schedule of grant payments. Therefore, the IUP will be subject to public comment and review and will include the following information:

1. List of Projects
2. Long and Short Term Goals
3. Supporting Information on SRF Activities
4. Assurances and Specific Proposals
5. Criteria and Method for Distribution of Funds
6. Proposed SRF Payments Schedule

II. LIST OF PROJECTS

The State is considering the following list of eligible projects for receiving FY2006 State Revolving Funds:

Potential State Revolving Fund Federal Projects

Municipal Wastewater Construction Projects:

<u>Name of Community</u>	<u>Project Type</u>	<u>Estimated Amount</u>
--------------------------	---------------------	-------------------------

Loans Closed – Remaining Draws:

Central Valley WRF	Wastewater Reuse Project	\$8,300,000
North Davis SD	Wastewater Treatment Plant Upgrade	4,000,000
Bear Lake SSD	New collection, interceptor & treatment	330,000
Central Davis Sewer District	Farmington Bay research/study	405,000
North Davis Sewer District	Selenium Study on the Great Salt Lake	900,000
	Total Loan Closed with Remaining Draws	<u>\$13,935,000</u>

Loans Authorized – Unclosed:

Moroni City	Treatment & Collection Upgrade	\$2,635,000
North Fork SSD	New Treatment Facility	1,640,000
Hooper City	New interceptor & collection system	<u>10,000,000</u>
	Total Loans Authorized Not Closed	<u>\$14,275,000</u>

Planned Loans - Unauthorized Projects:

Eagle Mountain	Wastewater Treatment Plant Upgrade	700,000
Central Weber/ Pineview Water	Wastewater Reuse Project	1,500,000
Moroni City	Treatment & Collection Upgrade	1,065,000
Willard City	Wastewater collection and treatment system	9,000,000
Logan City	Wastewater collection and treatment system	<u>2,000,000</u>
	Total Unauthorized Planned Loans	<u>\$14,265,000</u>

Non Point Source Projects:

Reserve for projects yet to be identified	<u>\$1,000,000</u>
---	--------------------

Underground Wastewater Disposal System Projects:

Reserve for projects yet to be identified	<u>\$300,000</u>
---	------------------

TOTAL	<u>\$43,775,000</u>
-------	---------------------

This data is a projection of funding for the listed projects. Determination will be made through the Utah Water Quality Board authorization, for project, loan amount, and financing term. An amount equal to four percent (4%) of the SRF Capitalization Grant funds will be used for program administration. Projects will be funded from the FY2004 and FY2005 Capitalization Grants, additional Capitalization Grants if awarded, as well as SRF loan repayments and match from state funds. Projects may also be funded from the Utah Wastewater Project Assistance Program and later removed from the State Revolving Fund projects list.

The financial assistance agreements are described in detail in Tables 1 & 2.

In the event that the above projects do not proceed, the FY2006 Intended Use Plan is extended to include the entire FY2006 Wastewater Treatment Project Priority List as potential SRF projects. Projects will be considered by priority and by their readiness to proceed.

POTENTIAL UTAH WASTEWATER LOAN PROGRAM PROJECTS

<u>Name of Community</u>	<u>Project Type</u>	<u>Estimated Amount</u>
--------------------------	---------------------	-------------------------

Storm Water Projects:

See attachments for detailed information concerning projects.

The State is considering the following list of eligible projects to receive funding during FY2006 from Utah Wastewater Loan Program Funds:

State Loans Authorized/Unclosed – Hardship Grants/Advances Not Drawn

North Fork SSD (Planning Advance)		\$20,000
North Fork SSD (Design Advance)		227,500
Central Weber SID (Planning Advance)		206,000
Hooper City (Hardship Grant)		3,936,000
Hooper City (Design Advance)		556,000
Parowan City (Design Advance)		125,000
Willard City SSD (Planning Advance)		50,000
Logan City (Planning Advance)		206,000
Price City (Planning Advance)		54,000
Santa Clara (Hardship Grant)		119,000
St. George (Hardship Grant)		188,000
Manila Town (State Loan)	Septic tank drain field system replacement	325,000
Parowan City (State Loan)	Upgrade & expansion of treatment	3,772,000
Manila Town (Hardship Grant)		540,500
Manila Town (Design Advance)		59,500
Kane County WCD (Planning Advance)		75,000
Moroni City (Hardship Grant)		<u>168,000</u>
	Total Authorized Not Closed/Drawn	<u>\$10,627,500</u>

We anticipate the full measure of sales tax dollars with a limit of \$4.25 million per year. Available funds will be used as twenty percent State Match to the SRF Capitalization Grants.

III. LONG AND SHORT TERM GOALS

Long-Term Goals for the SRF Program:

Goal #1 - Provide a permanent source of funding that can be used in combination with financing from a community's and other funding sources and to assist in financing wastewater facilities

construction and water quality projects.

Goal #2 - Evaluate and prioritize water quality needs within the state to allow funds to be distributed in a priority manner to the most environmentally needy projects.

Goal #3 –Maximize the use of funds by offering state financial assistance for sufficient and affordable funding of construction projects.

The Water Quality Board recognizes that when assisting communities to address their needs for adequate wastewater facilities, these must be sized for future growth. When helping communities provide wastewater infrastructure for existing and future users, the Board should be satisfied that proper and adequate planning has taken place so that environmental and quality of life problems associated with sprawl are not fostered.

Short-Term Goals for the SRF Program:

Goal #1 - Assist prospective recipients with project funding application preparations during facility planning and authorize funding for these projects.

Goal #2 - Assist in construction completion of projects that have been assisted with prior year funds.

Anticipated Outputs/Activities*:

1. The CWSRF intends to fund eight of the highest priority projects to protect and improve water quality on a watershed basis through an integrated planning and priority system.
2. The CWSRF intends to finance seven projects to upgrade wastewater treatment plants operating at the secondary level and advanced treatment level.
3. The CWSRF intends to finance one municipal storm water management project.
4. The CWSRF intends to fund four projects for new collectors and interceptor sewer systems and appurtenances.

Anticipated Outcomes (Short-Term/Long-Term):**

1. Complete one project financed to upgrade WWTPs from secondary level treatment to advanced (tertiary) treatment that produced a higher quality effluent from those facilities.
2. Complete three projects financed for new collectors and interceptor sewer systems and appurtenances to decrease contamination of surrounding groundwater systems.
3. Complete one project financed that will result in less polluted stormwater runoff.

Note *

IUP, Table 1 was used:
Stockton Town, North Davis SD, Moroni City, North Fork SSD, West Point City, Central Valley WRF, Hooper City, and Price City

Note **

IUP, Table 1 was used:
Payson City, Central Davis SD, Bear Lake SSD, Fairview City, and West Point City

IV. SUPPORTING INFORMATION ON SRF ACTIVITIES

Pertinent information on the FY 2006 anticipated activity to be supported by the SRF is attached. As identified in the Capitalization Grant application, the State intends to use an amount equal to 4% of the federal capitalization grants for administrative support.

Recipients of SRF loans may be charged a hardship grant assessment as determined by the Water Quality Board. The hardship grant assessment will be placed into the Hardship Grant Fund outside of the SRF and used as follows:

3. Hardships grant assessments derived from loans funded directly from EPA Capitalization Grants may only be used for purposes identified in 40 CFR Part 31.25.
4. Hardship grant assessments derived from loans made from funds “not directly made available” from EPA Capitalization Grants may be used to provide grants for communities whose projects would not be economically feasible unless grant assistance was provided.

V. ASSURANCES AND SPECIFIC PROPOSALS

The State has assured compliance with the following sections of the law in the State/EPA Operating Agreement, Section XVI, Scope and Roles. In addition, the State has developed specific implementation rules of those assurances in the Utah Administrative Code, R-317-102, Utah Wastewater State Revolving Fund (SRF) Program.

Section 602(a)-Environmental Reviews

Section 602(b)(3)-Certify binding commitments within one year*

Section 602(b)(4)-Certify expeditious and timely expenditures

Section 602(b)(5)-First use for enforceable requirements

*Binding commitments are defined as the date of loan closing.

State Matching funds equaling 20% of the SRF Capitalization Grants received are available from repayments of Utah Wastewater Loans. These funds are or will be available when needed in the Utah Wastewater Loan Program Fund.

VI. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

Utah has met "first use" requirements of Section 602(b)(5).

SRF funds will be distributed using the method, criteria, and eligible activities described in Section R-317-101 & 102 of the Utah Administrative Code. The methods and criteria used are designed to provide affordable assistance while providing maximum benefit to the long-term viability of the fund.

VII. PROPOSED SRF PAYMENTS SCHEDULE

If projects listed in the 2006 IUP exceed the amount of estimated funds available during the planning period, some projects which are listed may not be funded, some projects may be funded using available credit enhancement techniques or some projects may need to be delayed until funds are available. See Table 2 for proposed cash draw and payment schedule.

Table 1 UTAH STATE REVOLVING FUND - INTENDED USE PLAN 2006																
PROJECT IDENTIFICATION			PROJECT SCHEDULE				PROJECT ASSISTANCE									
Recipient Name	EPA Project Number	State Project Number	Binding Commit.	Const. Start	Const. CP	Type	Assistance Amount	i	Hardship Grant Assmt	Repmnt Period	Beginning Repayment Date	Type of Project	Cost Categ.	FY2006 Priority Ranking	mbe/wbe Reqmts	Discharge Reqmts
Loans Closed - Remaining Draws																
Central Valley WRF	C490381	158	Apr-05	Apr-05	Apr-09	L	35,000,000		3.0%	20 yrs	May-06	212	II	14	NO	UT0024392
Bear Lake SSD	C490312	220	Jul-03	Aug-03	Jul-04	L	2,230,000	0.0%		25 yrs	Jul-05	212	I	17	yes	no
Central Davis SD	C490386	156	Apr-05	Apr-05	Apr-07	L	3,105,000		0.5%	20 yrs	Jan-06	212	IVa, IVb, I	2	no	UT0020974
North Davis SD	C490318	157	Mar-05	Jun-05	Jul-08	L	20,900,000		2.32%	20 yrs	Jun-07	212	I, II	10	no	UT0021741
Loans Authorized - Unclosed																
Moroni City	C490372	150	Jun-03	May-05	Nov-05	L	2,635,000	2.5%		20 yrs	Dec-06	212	I, IVa	4	yes	no
North Fork SSD	C490365	227	Dec-03	May-06	Nov-07	L	1,640,000	3.0%		20 yrs	Jul-08	212	II	13	yes	no
Hooper City	C490359	136	Jun-04	Jan-06	Jan-07	L	10,000,000	0.0%		30 yrs	May-07	212	IVa, IVb	1	yes	no
Planned Loans - Unauthorized Projects																
Eagle Mountain	C490374	234	Mar-06	Apr-06	Apr-07	L	700,000		0.0%	20 yrs	Apr-08	212	I	11	no	no
Central Weber/Pineview Water	C490373	235	Apr-06	May-06	May-08	L	1,500,000		3.0%	20 yrs	May-09	212	I	7	no	UT0021911
Moroni City	C490372	150	Jun-03	May-05	Nov-06	L	1,065,000	2.5%		20 yrs	Nov-07	212	I, IVa	4	yes	no
Willard City	C490395	164	Sep-06	Sep-07	Mar-09	L	9,000,000	2.0%		20 yrs	Mar-10	212	Iva, IVb	18	yes	no
Logan City	C490396	159	Sep-06	Sep-07	Mar-09	L	2,000,000	2.0%		20 yrs	Mar-10	212	IIla, IIlb	3	yes	UT0021920

TABLE 2 WQ STATE REVOLVING FUND UTAH CASH DRAW AND PAYMENT SCHEDULE 2006 - 2007															
Recipient Name	EPA Project Number	State Project Number	Assistance Amount	Funds to Disburse	Binding Commit.	Const. Start	Const CP	SFY 2006 1 Qtr Jul - Sept	SFY 2006 2 Qtr Oct - Dec	SFY 2006 3 Qtr Jan - Mar	SFY 2006 4 Qtr Apr - Jun	SFY 2007 1 Qtr Jul - Sept	SFY 2007 2 Qtr Oct - Dec	SFY 2007 3 Qtr Jan - Mar	SFY 2007 4 Qtr Apr - Jun
Loans Closed - Draws Remaining															
Bear Lake SSD	C490312	220	2,230,000	330,000	Jul-03	Aug-03	Jul-04	330,000							
North Davis SD	C490318	157	20,900,000	4,900,000	Mar-05	Jun-05	Jul-08	1,950,000	500,000	950,000	500,000	500,000	500,000		
Central Davis SD	C490386	156	405,000	405,000	Apr-05	Apr-05	Apr-07	405,000							
Central Valley WRF	C490381	158	35,000,000	8,300,000	Apr-05	Apr-05	Apr-09	2,100,000	1,000,000	1,200,000	2,000,000	2,000,000			
Loans Authorized - Unclosed															
Parowan City	C490353	151	3,772,000	3,772,000	Aug-04	Sep-05	Dec-06	100,000	1,000,000	1,000,000	750,000	750,000	172,000		
Moroni City	C490372	150	2,635,000	2,635,000	Jun-03	May-05	Nov-06	878,333	878,333	878,333					
North Fork SSD	C490365	227	1,640,000	1,640,000	Dec-03	May-06	Nov-07				328,000	328,000	328,000	328,000	328,000
Hooper City	C490359	136	10,000,000	10,000,000	Jun-04	Jan-06	Jun-07			2,500,000	2,500,000	2,500,000	2,500,000		
Planned Loans - Unauthorized Projects															
Eagle Mountain Central Weber/Pineview Water	C490374	234	700,000	700,000	Mar-06	Apr-06	Apr-07				700,000				
	C490373	235	1,500,000	1,500,000	Apr-06	May-06	May-08				500,000	500,000	500,000		
Moroni City	C490372	150	1,065,000	1,065,000	Jun-03	May-05	Nov-06			1,000,000	65,000				
Willard City	C490395	164	9,000,000	9,000,000	Sep-06	Sep-07	Mar-09					5,000,000	2,000,000	1,000,000	1,000,000
Logan City	C490396	159	2,000,000	2,000,000	Sep-06	Sep-07	Mar-09					1,000,000	1,000,000		
Administration				1,000,000				125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
TOTAL			90,847,000	47,247,000				5,888,333	3,503,333	6,653,333	8,403,000	12,768,000	7,125,000	1,453,000	1,453,000
Federal LOC								1,333,333	1,003,333	3,298,533	0	4,867,500	0	0	0
SRF Repaymt Fund								4,288,333	2,299,333	2,695,093	8,403,000	6,927,000	7,125,000	1,453,000	1,453,000
State Match								266,667	200,667	659,707	0	973,500	0	0	0

TABLE 2 WQ STATE SECURITY ENHANCEMENT FUND UTAH CASH DRAW AND PAYMENT SCHEDULE 2006 - 2007															
Recipient Name	EPA Project Number	State Project Number	Assistance Amount	Funds to Disburse	Binding Commit.	Const. Start	Const CP	SFY 2006 1 Qtr	SFY 2006 2 Qtr	SFY 2006 3 Qtr	SFY 2006 4 Qtr	SFY 2007 1 Qtr	SFY 2007 2 Qtr	SFY 2007 3 Qtr	SFY 2007 4 Qtr
Loans Closed - Funds Remaining to be Disbursed:															
Loans Authorized - Unclosed															
Town of Manila	C490394	834	325,000	325,000	Aug-05	Sep-05	Sep-06	81,250	81,250	81,250	81,250				
Parowan City	C490353	151	3,772,000	3,772,000	Aug-04	Mar-05	Dec-05	2,000,000	1,000,000	772000					
Planned Loans - Unauthorized Projects															
Stockton Town	C490376	231	3,000,000	3,000,000	Jun-06	Jul-06	Sep-07					1,000,000	1,000,000	1,000,000	
Administrative Costs								50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL			7,097,000	7,097,000				2,131,250	1,131,250	903,250	131,250	1,050,000	1,050,000	1,050,000	50,000

WQ STATE HARDSHIP GRANT FUND UTAH CASH DRAW AND PAYMENT SCHEDULE 2006 - 2007															
Recipient Name	Project Number	State Project Number	Assistance Amount	Funds to Disburse	Binding Commit.	Const. Start	Const CP	SFY 2006 Jul - Sept 1 Qtr	SFY 2006 Oct - Dec 2 Qtr	SFY 2006 Jan - Mar 3 Qtr	SFY 2006 Apr - Jun 4 Qtr	SFY 2007 Jul - Sept 1 Qtr	SFY 2007 Oct - Dec 2 Qtr	SFY 2007 Jan - Mar 3 Qtr	SFY 2007 Apr - Jun 4 Qtr
TOTAL			0	0				0	0	0	0	0	0	0	0

WQ FEDERAL HARDSHIP GRANT FUND UTAH CASH DRAW AND PAYMENT SCHEDULE 2006 - 2007															
Recipient Name	Project Number	State Project Number	Assistance Amount	Funds to Disburse	Binding Commit.	Const. Start	Const CP	SFY 2006 1 Qtr	SFY 2006 2 Qtr	SFY 2006 3 Qtr	SFY 2006 4 Qtr	SFY 2007 1 Qtr	SFY 2007 2 Qtr	SFY 2007 3 Qtr	SFY 2007 4 Qtr
North Fork SSD	C490365	D017	227,500	227,500	Jun-05	Jun-05	Jan-06	100,000	127,500						
North Fork SSD	C490365	P043	20,000	20,000	Jun-05	Jun-05	Sep-05	20,000							
Central Weber SID	C490382	P035	226,000	206,000	Jan-03	Jan-03	Apr-06	50,000	50,000	50,000	56,000				
Hooper City	C490359	C023	3,936,000	3,936,000	Jun-04	Jan-06	Jun-07	936,000						1,500,000	1,500,000
Hooper City	C490359	D018	1,056,000	556,000	Jun-04	Jan-06	Jun-07							556,000	
Parowan City	C490353	D013	125,000	125,000	Aug-04	Jul-05	Apr-06	125,000							
Kane County WCD	na	P048	75,000	75,000	Apr-05	Jul-05	Jul-06	75,000							
Santa Clara	na	C025	119,000	119,000	Mar-05	Jul-05	Jul-06	119,000							
City of St. George	na	C026	188,000	188,000	Mar-05	Jan-05	Jan-06	188,000							
Town of Manila	C490394	C027	540,500	540,500	Mar-05	Sep-05	Sep-06	100,000			440,500				
Town of Manila	C490394	D019	59,500	59,500	Mar-05	Oct-06	Dec-06					59,500			
Willard C ity	C490395	P046	50,000	50,000	Nov-04	Nov-04	Nov-05	50,000							
Logan City	C490396	P047	206,000	206,000	Jan-05	Jan-05	Jan-06	100,000	106,000						
Moroni City	C490372	Cxxx	168,000	168,000	Jun-03	Nov-06	Dec-06		168,000						
Price City	C490393	P044	54,000	54,000	Apr-04	Jun-04	Jul-05	54,000							
TOTAL			7,050,500	6,530,500				1,917,000	451,500	50,000	496,500	0	59,500	2,056,000	1,500,000

WATER QUALITY
PROJECT ASSISTANCE
PROGRAM

CASH FLOW
PROJECTIONS

STATE FISCAL YEARS
2006 - 2007

STATE REVOLVING FUND

	SFY 2006 1 Qtr Jul - Sept	SFY 2006 2 Qtr Oct - Dec	SFY 2006 3 Qtr Jan - Mar	SFY 2006 4 qtr Apr - Jun	SFY 2007 1 Qtr Jul - Sept	SFY 2007 2 Qtr Oct - Dec	SFY 2007 3 Qtr Jan - Mar	SFY 2007 4 Qtr Apr - Jun
Beginning Bal. In Fund	7,155,182	17,005,476	15,788,327	11,872,314	5,521,497	8,454,714	3,393,770	3,971,959
Remaining Letter of Credit Draws	7,815,211				7,815,211			
State Match	266,667	200,667	659,707	0	973,500	0	0	0
EPA Capitalization Grants	5,635,200				4,867,500			
Repayments of Prin. & Int.	2,300,084	2,300,084	2,300,084	2,300,084	2,334,150	2,334,150	2,334,150	2,334,150
Reserve for Non Point Source	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Reserve for On Site Disposal	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Earnings on Balance	46,466	110,434	102,529	77,099	35,857	54,905	22,039	25,794
Planned Loans	(5,888,333)	(3,503,333)	(6,653,333)	(8,403,000)	(12,768,000)	(7,125,000)	(1,453,000)	(1,453,000)
BALANCE IN SRF FUND	17,005,476	15,788,327	11,872,314	5,521,497	8,454,714	3,393,770	3,971,959	4,553,903

WQ SECURITY ENHANCEMENT FUND

Beginning Balance	11,396,113	10,207,829	10,093,263	9,748,400	10,837,483	9,983,328	10,108,220	10,232,300
State Match	(266,667)	(200,667)	(659,707)	0	(973,500)	0	0	0
Earnings on UWLP Balance	(74,006)	(66,290)	(65,546)	(63,306)	(70,379)	(64,832)	(65,643)	(66,449)
Principle Repayments	586,765	586,765	586,765	586,765	542,848	542,848	542,848	542,848
Transfer from Hardship Grant	0	0	0	0	0	0	0	0
Reserve (Storm Water Proj.)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Planned Loans	(2,131,250)	(1,131,250)	(903,250)	(131,250)	(1,050,000)	(1,050,000)	(1,050,000)	(50,000)
Sales Tax Revenue	896,875	896,875	896,875	896,875	896,875	896,875	896,875	896,875
BALANCE IN UWLP FUND	10,207,829	10,093,263	9,748,400	10,837,483	9,983,328	10,108,220	10,232,300	11,355,575

WQ STATE HARDSHIP GRANT FUND

Beginning Balance	3,282,965	3,475,173	3,659,663	3,843,410	4,024,917	4,202,840	4,375,215	4,548,401
Planned Grants/Advances	0	0	0	0	0	0	0	0
Interest Payments on UWLP	118,201	118,201	118,201	118,201	107,544	107,544	107,544	107,544
Earnings on UWLP Balance	74,006	66,290	65,546	63,306	70,379	64,832	65,643	66,449
Transfer to UWLP	0	0	0	0	0	0	0	0
BALANCE IN GRANT FUND	3,475,173	3,659,663	3,843,410	4,024,917	4,202,840	4,375,215	4,548,401	4,722,393

WQ FEDERAL HARDSHIP GRANT FUND

Hardship Assessment Subfund of Hardship Grant Fund (SRF)	Beginning Balance in Fund	8,120,990	6,582,922	6,510,355	6,839,287	6,721,720	7,074,652	7,368,084	5,665,016
	Planned Grants/Advances	(1,917,000)	(451,500)	(50,000)	(496,500)	0	(59,500)	(2,056,000)	(1,500,000)
	Hardship Grant Assessments	378,932	378,932	378,932	378,932	352,932	352,932	352,932	352,932
BALANCE IN HARDSHIP GRANT FUND		6,582,922	6,510,355	6,839,287	6,721,720	7,074,652	7,368,084	5,665,016	4,517,948